

The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA IEM Profile	
Country	Vietnam
Factory name	07008443B
IEM	SGS Vietnam
Date of audit	23,24,25,26 & 27 Sep 2003
PC(s)	Nike, Inc.
Number of workers	11,600
Product(s)	Shoes
Production processes	Moulding; P.U.; Stokfit; Phylon; Pressing; Role Mixing; High Frequency Pressing; Lamination; Cutting; Stitching; Assembly; Embroidering; Air Bag
Other brands in factory	

		Findings			Remediation		
FLA Code/ Compliance issue	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Completion Date	Documentation
1. Code Awareness							
Confidential Reporting Channel	FLA Principles of Monitoring, Obligations of Companies: Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	PC has not put in place a confidential noncompliance reporting mechanism.	By management interviewing, visual inspection and document review		Nike's objective is to strengthen contact manufacturers' internal grievance systems, so that direct involvement by Nike in their employee grievances should be considered a last resort. In alignment with Nike's objective to strengthen contract manufacturers' internal grievance processes, two pilot educational programs facilitated by local Non-Governmental Organizations are underway currently in Indonesia and China. In addition, Nike Compliance staff spend time listening to factory employees during one-on-one confidential interviews during in-depth Management Audits. More than 6,600 factory employees were confidentially interviewed by Nike Compliance staff from August 1, 2002 through November 2003.		
2. Forced Labor							
Indebtedness	FLA Benchmark, Forced Labor: Employers will not bind workers to employment as a condition of fulfilling terms of a debt to a third party or to the employer.	The worker were in debt to the factory	Interview workers and manager		The loan program has benefited workers because they otherwise would not be able to get consumer loans themselves through the conventional bank system in Vietnam. Factory guarantees the loan payment. If this is not accepted according to the FLA benchmarks, the only people who would lose out are the workers.		
3. Child Labor							
				The child labor is controlled well in the factory. Human resource department checks applicant's birth date in the identification card and compared the information provided in other documents such as Resident Book or Famiy Book . After that, HR observes the appearance of the applicants during interviewing ensure the actual birth date of the applicant			
4. Harassment or Abuse							
5. Nondiscrimination							
Other	FLA Benchmark, Nondiscrimination: No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.	Female workers who have just worked in the factory for 1-2 years will not receive allowance if they get pregnant	By interview workers		Factory must not discriminate against pregnant workers and should give them all of their legally entitled benefits.	This is the old regulation. Factory is revising the regulation and will send the regulation to the PC once confirmed. PC to follow up on this issue end of January 2004.	

	Findings				Remediation		
FLA Code/ Compliance issue	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Completion Date	Documentation
Other		Worker doing the same job did not receive the same allowance for harm work (Pressing, chemical /material preparing)	Worker interviewing		All workers who are in jobs that pose risk should receive the same allowance due them.	Workers will receive the allowance by end of January 2004. PC to follow up on completion of this issue end of January 2004/early Feb 2004.	
6. Health and Safety							
Safety Equipment	FLA Benchmark, Health and Safety: All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	At Liquid Chemical Warehouse, the number of fire extinguishers supplied are not adequate to the requirement, and some of them are blocked by goods.	Emergency Response Equipment Location Map dated 29/4/ 2003		Number of fire extinguishers at the liquid chemical warehouse should meet the requirement in terms of quantity. Fire extinguishers should not be blocked by goods.	Completed.	Please see photos
Safety Equipment	FLA Benchmark, Health and Safety: All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	Medicine supplies are not available in some first - aid boxes as required .	List of Medicines and equipments for First - Aid Kit		Medical supplies at first aid boxes should be adequate as per the requirement.	Completed.	(Attached documents)
PPE	FLA Benchmark, Health and Safety: Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	At Cutting Die Plant, the worker did not wear gloves, glasses and at Mould Preparation Section the worker did not wear mechanical shoes as required by the procedure posted.	Visual inspection		Workers at the cutting die plant should wear gloves and glasses. Workers at mold preparation section should wear mechanical shoes as required by the procedure.	Completed.	New factory regulation reinforces the wearing of PPE. (Attached Documents)
Fire Safety Health and Safety legal compliance	Country Law : Article 101 of LC and Article 6 of decree no. 6 FLA Benchmark, Health and Safety: Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	Some workers interviewed said that the PPE are not supplied on time.	Worker Interviewing		Factory must supply PPE on time to workers who require it.	Completed.	Attached document shows signatures of workers who have received the PPE.
Sanitation in Facilities	Country Law: Decision of Health Ministry No. 3733/2002/QD-BYT in Labor Hygiene Standard. FLA Benchmark, Health and Safety: All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	Number of sinks with running water are not adequate and water is often not supplied. Toilets have offensive odours.	Observation ; Worker interviewing		Factory must provide an adequate number of sinks and water for washing should be available at all times. Cleanliness and sanitation should be maintained at the toilets.	Completed. PC has verified on factory visit.	
Sanitation in Facilities	Country Law: Decision of Health Ministry No. 3733/2002/QD-BYT in Labor Hygiene Standard. FLA Benchmark, Health and Safety: All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	Meal trays were not covered in sanitary manner	Visual inspection		Meal trays must be covered in a sanitary manner.	Completed.	(Attached documents)
Sanitation in Facilities	Country Law: Decision of Health Ministry No. 3733/2002/QD-BYT in Labor Hygiene Standard. FLA Benchmark, Health and Safety: All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	There is no paper towels or other sanitary methods of hand drying provided.	Visual inspection		Paper towels or hand dryers must be provided at the restrooms.	Factory is still in the process of installing paper towels or hand dryers in the restrooms. PC to follow up on this issue early Feb 2004 for status.	
Record Maintenance	FLA Benchmark, Health and Safety: All safety and accident reports shall be maintained for at least one year, or longer if required by law	Permit of Fire Safety Designation System for the first building is not available	Record review		Fire Safety Designation Permit should be made available.	Proposal letter has been sent to the FSD. The plan will be implemented after the lunar new year. Photo of letter attached.	(Attached documents)

	Findings				Remediation		
FLA Code/ Compliance issue	Benchmark or legal reference	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Completion Date	Documentation
Ventilation / Cooled system	FLA Benchmark, Health and Safety: All ventilation, plumbing, electrical, and lighting services shall be provided	The factory is not adequately cooled at Cutting Plant; Pressing Plant.	Visual inspection		Cutting Plant and Pressing Plant areas should be adequately cooled.	No wall at pressing area. There is local ventilation system at each working station. PC has verified during factory visit.	
7. Freedom of Association and Collective Bargaining							
Access to Unions	FLA Benchmark, Freedom of Association: Trade unions not recognized as bargaining agent of some or all of the workers in a facility should have the means for defending the occupational interests of their members, including making representations on their behalf and representing them in cases of individual grievances, within limits established by applicable law. Workers' representatives should have the facilities necessary for the proper exercise of their functions, including access to workplaces	Trade Union representatives did not seek a meeting, access to the facility or recognition of organizing rights with the factory management , so this system did not seem effective.	Document review and interview		Factory must establish a system allowing dialogue and communication between factory management and Trade Union representatives. Factory must recognize the rights of the trade union.	Completed. Attached document shows meeting minutes.	(Attached documents)
8. Wages and Benefits							
Recruitment Contracts	Country Law: Vietnamese Labor Code - Article 28 and Article 33. Decree 198 - Article 6(1)	Workers do not keep their labour contracts or their contracts were out of effective date for a long time	Document review and interview		Factory must maintain labor contracts that are up-to-date and not expired.	The new form of labor contract will be delivered to workers. Waiting for revised document. PC will follow up in early Feb to check on completion.	
9. Hours of Work							
Overtime Limitations	FLA Benchmark, Hours of Work: Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime.	Workers are required to use another staff 's card to limit the overtime working hour when their working overtime hours are over 12 hours per week	By interview workers and manager		Workers must use their own card when registering any overtime hours worked.	Completed.	New factory regulations prohibit this act. Photo attached.
Forced overtime	FLA Benchmark, Hours of Work: Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime	The worker could not refuse OT	Worker Interview		All overtime rendered by the workers must be on a purely voluntary basis.	Completed.	OT is voluntary, workers sign their voluntary OT. Photo of the new regulation attached.
10. Overtime Compensation							